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# MARKET STRATEGIES FOR WEST WASHINGTON STREET AND THE WESTERN CORRIDOR

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*Prepared for*

THE CITY OF  
GREENVILLE, SOUTH CAROLINA

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AND THE WESTERN CORRIDOR

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JUNE 29, 2001

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## TABLE OF CONTENTS

	<b><u>Page</u></b>
<b>INTRODUCTION</b>	<b>i</b>
<b>SECTION I. OVERVIEW OF COMMUNITY DEMOGRAPHICS</b>	<b>1</b>
Demographic Conclusion	5
Employment Analysis	5
Employment Conclusion	6
<b>SECTION II. RETAIL ANALYSIS</b>	<b>7</b>
Estimated Sales Potential	8
<b>SECTION III. HOUSING MARKET ANALYSIS</b>	<b>12</b>
Housing Characteristics	12
Housing Sales	14
Homeownership Potential	14
Rental	16
Conclusion	17
<b>SECTION IV. GENERAL AND SPECIFIC RECOMMENDATIONS</b>	<b>19</b>
<b>SECTION V. BEST PRACTICES</b>	<b>24</b>
Haynie’s Corner, Evansville, Indiana	24
North Davidson Street Corridor, Charlotte, North Carolina	25
Hill Street/Cherry Street, Asheville, North Carolina	26
Whittier Neighborhood, Minneapolis, Minnesota	26
Freedom Drive, Charlotte, North Carolina	27
Dayton, Ohio Neighborhood Strategy-“Rehabarama”	27

## INTRODUCTION

The City of Greenville Economic Development Office engaged the firm of Hammer, Siler, George Associates to undertake market analyses and make recommendations for future development within the Western and the West Washington Street Corridors. The West Washington Street Corridor extends roughly three-quarters of a mile from Academy Street to the Amtrak Station area. The Western Corridor includes the area between Buncombe Street and Rutherford Street, as well as an area to the south on Buncombe Street. It also includes a small residential area further northeast on Rutherford Road.

The West Washington Street and Western Corridor areas are strategically located adjacent to the Downtown core. Investment in the reconstruction and realignment of Buncombe Street has generated interest in future development within this neighborhood as it becomes a major access route into Downtown Greenville. From the West Washington Street Corridor, one can easily walk to Downtown.

According to residents of the area, both of the Corridors have experienced diminished neighborhood services; minimum residential investment, either in new construction or rehabilitated housing; and the closing of several industrial businesses. These circumstances have left both areas with vacant land, vacant residential and commercial buildings, and underutilized properties.

However, with the reconstruction of Buncombe Street and its potential impact on the surrounding area, a number of questions have been raised by city staff and neighborhood residents, the answers to which will affect the future development of these areas. Among these questions are the following:

1. Given the routing of Buncombe Street through the Holmes Bible College site, what should be the future use of the site?
2. How can the Buncombe Street Corridor be developed in a way that supports stabilizing the Western Corridor?
3. To what extent are opportunities now available for development in the Amtrak Station area?
4. What should be the future development character of the West Washington Street Corridor?
5. What should be the housing policy for the Western Corridor and West Washington Street?
6. Can a combination of the local market and inflow from other markets support a supermarket?

7. Is a farmers' market feasible for the trade areas?
8. What is the potential to attract a base of smaller businesses to the Corridors that will provide job opportunities for neighborhood residents?
9. What is the potential to develop office and/or business space for small and/or minority-owned businesses in the West Washington Street or Western Corridors?

The purpose of this report is to address each of these questions from an economic perspective, so that guidance can be provided on how the City and community should best use scarce resources to maximize the revitalization of the area.

Our investigation and analysis involved the use of both primary and secondary sources of market and demographic data. Primary sources included interviews with brokers and builders who do business in the area. Secondary sources included demographic and housing databases, as well as census and marketing information. The process involved meetings with various groups of stakeholders including property owners, residents, businesspeople and City staff. The questions and critiques coming from these stakeholders were invaluable to the process and have greatly assisted in shaping this report.

We particularly want to thank Nancy Whitworth and Norm Gollub of the Economic Development Office and the rest of the staff for their consistent support in providing material, logistics and insights.

While there are no magic wands, Hammer, Siler, George Associates believes that there are opportunities for the City and the neighborhood to step in, stem further decline, and begin the process of turning this neighborhood around.

**SECTION I. OVERVIEW OF COMMUNITY DEMOGRAPHICS**

## SECTION I. OVERVIEW OF COMMUNITY DEMOGRAPHICS

For purposes of this assignment we have analyzed the Study Area and the Primary Trade Area. The Study Area, represented by the orange shaded area on the map below outlines the two Corridors (Western Corridor and West Washington Street Corridor) and is referred to in this report as the Study Area. The ½-mile radius, represented by the circle, defines the Primary Trade Areas (PTA) for convenience retail and service businesses for the Buncombe Street/Western Corridor area. For convenience, when discussing them together, we refer to them as trade areas.

**Study Area/Primary Trade Area**



This Primary Trade Area is the geographic area that would generate 80 percent of the sales for a convenience retail or service establishment. Suburban trade areas tend to be larger than the ½-mile radius shown here, because suburban consumers are much more mobile and automobile dependant. Urban trade areas are usually more dependant on walk-in traffic, and are therefore smaller, as in the ½-mile radius represented here.

Population figures used in this report are based on the most recent data available from the 2000 Census. Estimates by Claritas, a real estate and demographic data company, have been made of

projected growth. While these estimates show a steady loss of people from both the Study Area and Primary Trade Area, a strong housing program could eliminate the projected losses and begin the process of turning the area around. The City is expected to grow slightly between 2000

**TABLE 1. POPULATION GROWTH**

	Study Area	PTA	City
2005	1,798	2,975	56,574
2000	1,839	3,023	56,220
1990	2,073	3,325	58,297
1980	2,148	3,583	60,377
Change 80-00	-14.80%	-16.30%	-6.9%

*Source: Claritas; Hammer, Siler, George Associates.*

and 2005, but the County is forecast to grow at a rapid 6 percent through 2005. Even assuming no change in the City's housing program, the population decline in the Study Areas is forecast to decline at a slower pace through 2005 than in the previous 5-year period.

**TABLE 2. HOUSEHOLD GROWTH**

	Study Area	PTA	City
2005	806	1,459	25,099
2000	808	1,453	24,388
1990	858	1,513	23,998
1980	965	1,545	22,870
Change 80-00	-6.6%	-6.6%	6.5%

*Source: Claritas; Hammer, Siler, George Associates.*

As populations decline, the number of households declines as well, but at a slower pace due to the overall decrease in household size. Within both areas, the number of households has remained steady and is expected to remain stable in the near future.

Average household size within each area has declined from 2.41 to 2.23 in the Study Area, and from 2.20 to 2.04 in the Primary Trade Area.

The ethnic composition in both areas is expected to remain steady, as a racially integrated neighborhood. Table 3 shows the Study Area is 57.2 percent black and 40.5 percent white. The area also has a small percentage of Hispanics and Asians. At the first neighborhood meeting for this assignment, this was one of the qualities all participants agreed was a positive and desirable attribute.

**TABLE 3. PERCENT RACIAL COMPOSITION, 2000**

	Study Area	PTA	City
White	40.5%	45.6%	60.4%
Black	57.2%	51.9%	36.6%
Hispanic	1.2%	1.2%	1.6%
Asian	0.4%	0.7%	1.2%
Other	0.6%	0.6%	0.2%

*Source: Claritas; Hammer, Siler, George Associates.*



**TABLE 4. AVERAGE HOUSEHOLD INCOMES**

	Study Area	PTA	City
2000	\$38,915	\$33,901	\$55,712
1990	\$23,546	\$21,186	\$34,829
Change 90-00	65.3%	60.0%	60.0%

*Source: Claritas; Hammer, Siler, George Associates.*

the households have two incomes and no children.

As shown in Table 5, seniors comprise between 12 and 14 percent of the area's population. Children and youths comprise roughly 27 percent of the market area. Younger and mature adults together comprise the primary consumer population and represent close to 60 percent of the total population. There is a consistency in age groupings within both the Study Area and Primary Trade Area.

The average household size in the Study Areas indicates that a large percentage of the households are 2-person households with relatively few children under the age of 19. Household incomes are almost double per capita income, indicating that the majority of

**TABLE 5. AGE CHARACTERISTICS**

	Study Area	PTA	City
0-19 Years	27.60%	26.50%	25.1%
20-29 Years	12.90%	12.20%	14.1%
30-39 Years	16.10%	16.60%	14.1%
40-54 Years	21.90%	21.60%	20.3%
55-64 Years	6.40%	6.70%	7.4%
65+	12.11%	13.90%	19.0%

*Source: Claritas; Hammer, Siler, George Associates.*

The residents of the Study Area and Primary Trade Areas have overall educational levels below national averages.

**TABLE 6. EDUCATIONAL ATTAINMENT FOR POPULATION OVER 25 YEARS OF AGE.**

	Study Area	PTA	City
Less than 9 <sup>th</sup> Grade	17.5%	23.8%	11.1%
9 <sup>th</sup> to 12 <sup>th</sup> Grade, No Diploma	25.9%	23.1%	16.5%
High School Graduate	21.6%	21.0%	20.6%
Some College, No Degree	12.6%	11.8%	16.6%
Associate's Degree	7.1%	6.7%	6.0%
Bachelor's Degree	9.8%	8.9%	18.7%
Graduate or Prof. Degree	5.5%	4.6%	10.1%
<b>High School +</b>	<b>56.6%</b>	<b>53.0%</b>	<b>72.0%</b>
<b>Bachelor 's Degree +</b>	<b>15.3%</b>	<b>13.5%</b>	<b>28.8%</b>

*Source: Claritas; Hammer, Siler, George Associates.*

The national indices are 75 percent with at least a high school degree and 20 percent with at least a bachelor's degree. As Table 6 illustrates, both the Study Area and the Prime Trade Area have educational attainment rates about three-quarters of national averages.

To further refine the analysis of the market area and to understand the way in which the residents live, Hammer, Siler, George Associates obtained a *PRIZM Lifestyle Distribution Report*. PRIZM classifies the U.S. population into 62 distinct

TABLE 7. PRIZM CLUSTER PROPORTIONS		
	Study Area	PTA
2 <sup>nd</sup> City Blues	97.4%	96.2%
Boomtown Singles	2.6%	3.8%
Source: Claritas; Hammer, Siler, George Associates.		

demographic clusters, each representing a unique demographic profile that takes into account income, age, occupation, ethnicity, education levels, and other characteristics. These profiles are widely used in retail and demographic analyses because they can be used as predictors of consumer spending and consumer preferences. PRIZM assigns nicknames to each of the clusters; the nicknames of the predominant clusters in the study areas along with brief descriptions of the people they represent, are as follows:

By far the most numerous group is called “**2<sup>nd</sup> city Blues**”, representing over 96 percent of the Study Area and the Primary Trade Area. This group represents residents of downtown neighborhoods of second-tier smaller cities. While not affluent, but due to the lower cost of living in smaller cities, members of this cluster tend to be better off than those with the same demographic characteristics in larger urban centers. One sub-group within this cluster that comprises most of the residents of the Study Area is called “**Southside City.**” This group is found mostly in smaller cities in the South, and is comprised of predominantly black households with low incomes and employment mostly in the service sector.

“**Boomtown Singles**” is a cluster found in fast-growing second cities throughout the South. They are young professionals in public and private service industries who tend to be renters. Again, because the cost of living is lower than in big cities, this group is generally more prosperous than their counterparts in the large urban area. While still represented by small

percentages in the Study Area and the Primary Trade Area, this group represents the potential growth area for the Western Corridor market.

### **Demographic Conclusion**

The Study Area appears more affluent than the population within the Primary Trade Area. The demographics suggest a potential for gentrification as the push comes from the downtown, however, in this case, gentrification is not a negative as long as the base of affordable housing is maintained. The attraction of higher income groups is apparent in several of the new housing developments, which are stressing homeownership and the renovation of older, bungalow and Victorian housing. There is a growing number of singles and young married couples in the Study Area. This suggests that Greenville will need a housing policy for this area that is committed to strong diversity of economic and racial groups.

### **Employment Analysis**

This section examines the Study Area's workforce. Table 8 shows that there is an inflow of private sector employees into the area, particularly in the transportation; finance, insurance and real estate (F.I.R.E.); and retail trades. Transportation includes the railroad facility at the northern end of West Washington Street. This is a significant factor within the trade area and the employment patterns should be studied further to translate their demand. The only area in which there is an out-migration for jobs is in the manufacturing sector. There are four manufacturing companies within the area with an average size of eight employees.

South Carolina's Upstate has historically had a strong manufacturing base, with textile and plastics business abounding in the region. Plastics, machinery and laboratory equipment production represents 19 percent of South Carolina's total Advanced Manufacturing sector and has increased employment 8 percent over the last 5 years. This translates into 309 new employees annually in greater Greenville or 77,250 industrial square feet per year. Over 100 residents of the study area leave the area to work in manufacturing jobs, representing a net outflow of workers in the manufacturing sector. Assuming the trade area captures 2.5 percent of

the expected new regional employment in advanced manufacturing (or 8 employees each year) that would translate into one new small manufacturing firm per year within the area.

<b>TABLE 8. EMPLOYEES BY SECTOR IN THE STUDY AREA</b>			
	<b>Work</b>	<b>Live</b>	<b>Inflow</b>
Construction - Specialty Trades	179	98	81
Manufacturing	30	132	(102)
Retailing	320	161	159
Personal Services	45	35	10
Business Services	265	37	228
Transportation	1,972	52	1,920
Professional and Related Education and Health	407	187	220
F.I.R.E.	628	23	605
<i>Source: Claritas; Hammer, Siler, George Associates.</i>			

There is significant inflow in the F.I.R.E. and business services areas. These types of businesses typically utilize small one- or two-story buildings. Clearly the area is attractive to these businesses and this should be exploited with the renovation or new construction of small business centers along the main thoroughfares within the Study Area.

### **Employment Conclusion**

Excluding transportation, the existing employment profile does not point to one specific, dominating employment sector. Many of the residents are currently leaving the area for jobs in manufacturing and there is a large influx of workers employed in the business services and personal services fields. There is sufficient vacant and underutilized land along the three major thoroughfares to develop attractive small business centers and light manufacturing buildings. These are typically one- or two-story structures. With its easy access to the downtown area and with the reconstruction of the Western Corridor, such small business development should be encouraged.

## **SECTION II. RETAIL ANALYSIS**

## SECTION II. RETAIL ANALYSIS

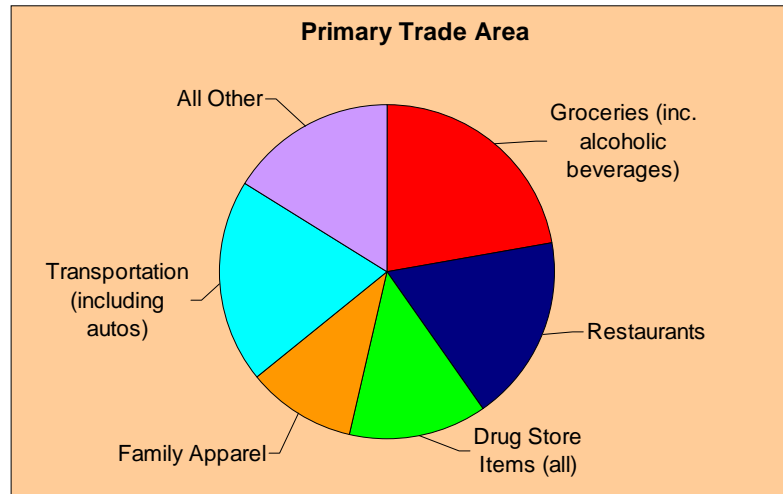
The Primary Trade Area contains a resident population that has modest household incomes. From discussions with various community groups, transportation has emerged as a key issue. Residents of the area with limited incomes have limited daily access to cars, and there is not adequate public transportation. How people are spending their money, on what items, and where are they are spending it, will indicate the demand within the neighborhood for certain retail goods and services.

Spending indices show the ratio of spending per household from the Study Area against similar data for the Primary Trade Area. Urban residents generally spend more on housing and transportation than on retail goods, while suburban households tend to have higher retail spending profiles. These indices are another indication of the relative affluence of a market area as well as the general strength of market support for retail and service facilities.

As a first step, Hammer, Siler, George Associates has selected seven types of retail/service businesses for analysis, as they represent basic household activities. For the seven selected store/service-types shown here, the Study Area has household spending potential substantially lower than the Primary Trade Area.

<b>TABLE 9. HOUSEHOLD EXPENDITURES</b>		
	<b>Study Area 000's</b>	<b>PTA 000's</b>
Groceries (inc. alcoholic beverages)	\$3,915	\$5,511
Restaurants	\$2,768	\$3,933
Personal Care Services	\$199	\$312
Drug Store Items (all)	\$2,304	\$3,402
Family Apparel	\$2,118	\$2,638
Transportation (including autos)	\$3,564	\$4,614
Furniture, household goods	\$1,045	\$1,888
TV, Radio, Home Entertainment	\$881	\$1,445
<i>Source: Claritas; Hammer, Siler, George Associates.</i>		

The data for these statistics are from an annual sampling of residents in the area and how they spend their incomes. These numbers are then compared to similar trade areas with similar incomes, ages, and household attributes to verify spending patterns.



Groceries include food and beverages (including alcohol). Restaurants include all meals and beverages eaten outside of the home. Personal Care services includes beauty and barber shops. Family apparel includes women's, men's, children's and infants' clothing and shoes. Transportation includes purchase, maintenance and rental of cars and trucks. Furniture and household goods includes carpets, appliances, repair and maintenance items. TV, radio and home entertainment includes VCRs and computers as well.

As a second step we have analyzed market support for retail and service space and calculated the amount of Supportable Square Feet. This is the amount of space that can be supported for each type of good or service based on what the residents in the Study Area are likely to spend on an annual basis.

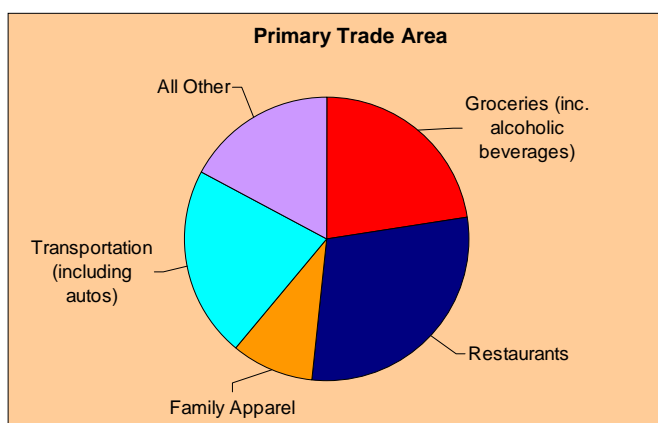
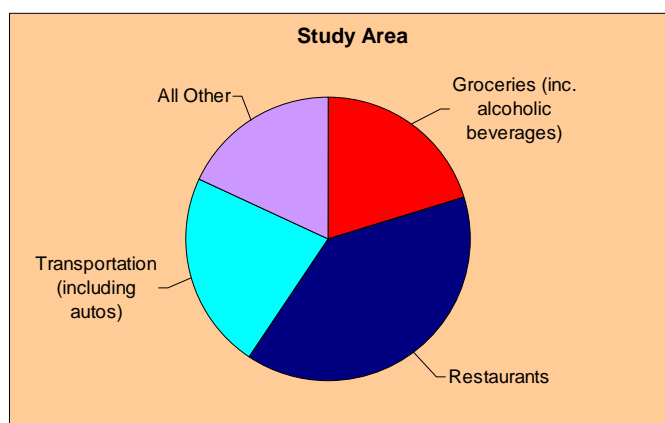
### **Estimated Sales Potential**

Potential Capture Rates, Sales, and Sales Per Square Foot are the components used to calculate the Estimated Sales Potential—or the amount of market support that can be achieved within a given area or population. Tables 9, 10 and 11 represent data gathered from sales tax information and census information.

**TABLE 10. BUSINESS INCOME**

	Study Area 000's	PTA 000's
Groceries (inc. alcoholic beverages)	\$2,000	\$5,000
Restaurants	\$4,100	\$6,100
Personal Care Services	\$300	\$700
Drug Store Items (all)	\$400	\$700
Family Apparel	\$0	\$2,000
Transportation (including autos)	\$2,600	\$4,614
Furniture, household goods	\$600	\$1,400
TV, Radio, Home Entertainment	\$500	\$1,300

*Source: Claritas; Hammer, Siler, George Associates.*



From the data in Tables 10 and 11, it is shown that local residents are spending significant dollars outside of the trade areas on many of the items. Table 11 shows the excess dollars flowing out of the trade areas. The amounts in parenthesis represent inflow of dollars from outside the trade areas.



**TABLE 11. PRIMARY TRADE AREA OUTFLOWS**

	<b>Household Spending</b>	<b>Business Income</b>	<b>Outflow</b>
	<b>000's</b>	<b>000's</b>	<b>000's</b>
Groceries (inc. alcoholic beverages)	\$5,511	\$5,000	\$511
Restaurants	\$3,933	\$6,100	(\$2,167)
Personal Care Services	\$312	\$700	(\$388)
Drug Store Items (all)	\$3,402	\$700	\$2,702
Family Apparel	\$2,638	\$2,000	\$638
Transportation (including autos)	\$4,614	\$4,614	\$0
Furniture, household goods	\$1,888	\$1,400	\$488
TV, Radio, Home Entertainment	\$1,445	\$1,300	\$145

*Source: Claritas; Hammer, Siler, George Associates.*

The data indicate that restaurants and beauty and barbershops within the Primary Trade Areas experienced an inflow of patrons from outside the area. Since the Primary Trade Area borders the core of the downtown area, there is, in all probability, an overlap of locations for these businesses. The fringe locations are serving both the neighborhoods and the population drawing from the downtown area. Within the Primary Trade Area there are only two restaurants with more than 20 employees. These would be considered full-service large operations. There are also four beauty shops located in the area.

As a third step, we have examined the potential for additional square footage within the neighborhood for each of the business types experiencing outflows. We have utilized the Primary Trade Area as the best determinant for demand since it is the area that will likely generate 80 percent of the store sales. We have documented national indices for each type of business in terms of sales per square foot and average size of space, and then applied a potential capture rate for the trade area to determine the amount of net new supportable square footage per business type. We have utilized the Urban Land Institute's *Dollars and Cents of Shopping Centers* as a guide to national indices and adjusted them to the realities of the neighborhoods.

**TABLE 12. SUPPORTABLE SQUARE FOOTAGE**

	<b>PTA Outflows</b>	<b>ULI \$/SF</b>	<b>SF</b>	<b>Capture Rate</b>	<b>SF</b>
Groceries (inc. alcoholic beverages)	\$511	\$342	1,494	40%	598
Restaurants	\$-0-	N/A	N/A	N/A	N/A
Personal Care Services	\$-0-	N/A	N/A	N/A	N/A
Drug Store Items (all)	\$2,702	\$336	8,041	40%	3,216
Family Apparel	\$638	\$138	4,623	25%	1,155
Transportation	\$-0-	N/A	N/A	N/A	N/A
Furniture, household goods	\$488	\$159	3,069	25%	767
TV, Radio, Home Entertainment	\$145	\$203	1,877	25%	469
<b>Total</b>					<b>6,205</b>

*Source: Claritas; Hammer, Siler, George Associates.*

The capture rates represent the best estimates of the percentage of the immediate population's expenditures for the goods and services that would be bought within the neighborhood. The items considered as daily needs have the greatest probability of attracting the most retail traffic. Items that are "destination" items are typically purchased at a shopping center, larger than a neighborhood center. Table 12 indicates that there is marginal support for a convenience grocery store and marginal support for a drugstore, although expenditures for prescription drugs per household exceeds the national average. There appears to be support for a small family-type clothing store and for a small TV, radio, entertainment store.

Overall, demand within the area for neighborhood services is low. Moreover, other than those documented for restaurants and beauty parlors, Hammer, Siler, George Associates does not anticipate anything more than normal inflows into the Primary Trade Area. This is unlikely to change until a broader residential base is achieved that can support the needed critical mass of retail and service businesses necessary to attract inflow.

### **SECTION III. HOUSING MARKET ANALYSIS**

### SECTION III. HOUSING MARKET ANALYSIS

This section is intended to show the potential for housing in the study area and primary trade area. This is accomplished by identifying the potential for housing by both the existing residents and projections of potential demand by new residents.

#### Housing Characteristics

One key to revitalizing the Study Area is to increase residential density beyond today's levels. The current housing situation in the neighborhoods is one of wide disparity, from blighted cottages to gentrified Victorians. There are few multifamily properties and the major one is an elderly housing project which is well maintained. The majority of single-family homes in the trade areas are rental properties and according to the 1990 Census, owners occupied 26 percent of homes in the trade area and renters occupied 64 percent. The remaining homes were vacant. In the Primary Trade Area, the 1990 Census indicates 22 percent are ownership units, 68 percent rental units. As of this report, the 2000 Census for ownership/rental statistics are available for the City but not for the immediate neighborhoods. Today, within the City of Greenville, the ratio of owners to renters is 47 percent to 53 percent and the median single-family house price is around \$110,000.

<b>TABLE 13. HOUSING CHARACTERISTICS</b>			
	<b>1990 Study Area</b>	<b>1990 PTA</b>	<b>1990 City</b>
Number of Housing Units	939	1,686	26,453
Owner-Occupied	26%	22%	43%
Renter-Occupied	64%	68%	49%
Median Housing Value- 1990	\$55,200	\$51,829	68,688
Percent Built prior to 1960	70.0%	72.3%	68.0%
<i>Source: Claritas; Hammer, Siler, George Associates.</i>			

Overall, the housing stock in the trade areas is old and there has been limited new construction within the last decade. Currently under construction is the 15-unit high-end townhouse project

on the corner of Butler Avenue and Pinckney Street. These units range in price from \$210,000 to \$395,000 depending on number of bedrooms and garage. As of May 2001 all of the garage units had sold for a total of 7 sold units in 7 months, or 1 per month. The age of the purchasers was in the 33 to 60 range, and two were sold to singles and the remaining to married couples. This project is not directly in the Study Area but is adjacent to southwest border of Buncombe Street. The other nearby project is the single-family development by the Urban League, which is a homeownership project with subsidized houses in the \$70,000-\$90,000 range. The houses have been absorbed at the rate of 1.4 units per month.



*New Townhouses*

**TABLE 14. LISTING PRICES**

Size	Prices
2bed/1bath	\$50,818
2bed/2bath	\$70,100
3bed/1bath	\$67,690
3bed/2bath	\$91,442
Larger	\$92,360

*Source: Hammer, Siler, George Associates.*

A survey of current listings within the trade areas indicate the following asking prices for homes. Of the 67 homes listed for sale within the area, 45 percent are 2 bedroom/1 bath homes and 30 percent are 2 bedroom/2 bath homes. Part of the \$20,000 differential between 2 bedrooms and 3 bedrooms is the age of the product. The smaller units are generally older, while the larger units have mostly been built since 1960 with newer amenities.

## Housing Sales

Multiple Listing Service (MLS) has been utilized as a source of sales data for the Study Areas. This does not include private sales or sales that occurred outside of MLS. However, as an indication of trends and sales data it is an appropriate data source. The trade areas generally fall into the MLS realtor area identified as 75 and is bounded by Academy Street on the south, Poinsett Highway on the east, Blue Ridge Drive on the north and White Horse Road on the west. This realtor area is therefore larger than the trade areas. In the past 24 months, there were approximately 144 sales—or 6 per month. The trade areas represent approximately 10 percent of the total area and by implication sales average about 7 per year. The average sale price was \$62,745, ranging from \$10,000 to \$425,000. The highest price was for a property in the historic Hampton-Pinckney neighborhood.

## Homeownership Potential

In order to determine the homeownership potential for the study Area and the Primary Trade Area, Hammer, Siler, George Associates has undertaken the following analysis. We have looked at the trend of rising incomes in the area over the last decade and have reviewed median housing values of the neighborhoods to reach an appropriate determination of ownership potential.

<b>TABLE 15. HOMEOWNERSHIP-CURRENT</b>		
	<b>Study Area</b>	<b>PTA</b>
Number of Housing Units-2000	924	1,656
Owner-Occupied (1990)	36%	32%
Number of Potential Owners	332	530
Average Household Incomes	\$38,915	\$33,901
Price Point (2.5x HH Income)	\$97,288	\$84,753
Median Housing Value	\$65,000	\$65,000
<i>Source: Claritas; Hammer, Siler, George Associates.</i>		

Our assumptions on the number of homes that are owner-occupied are based on the 1990 Census data as applied to the estimates of housing units available today. We realize that the steep rise in income would allow for greater homeownership possibilities as well, however, this is the most accurate data

available today. The median housing values are based on actual current sales and listings. Please note that the current median housing value in the neighborhood of \$65,000 is far less than the

actual price the average income household in the neighborhood can afford. This means that many homeowners have household incomes below the average.

Based on Tables 1 and 2, the estimates for growth in both population and households are forecasted to be low for the next 5 years. Therefore, we have to generate home-ownership from within the study areas and from outside of the trade areas. If housing prices start at \$65,000 for existing housing and \$70,000 for new subsidized housing then we can make some assumptions about the number of households qualified for home ownership in the study areas. Houses costing \$65,000 would require a household income of \$26,000. In Table 16 we show the income levels within the trade areas.

<b>TABLE 16. HOUSEHOLD INCOMES</b>		
<b>Income Levels</b>	<b>Study Area</b>	<b>PTA</b>
25,000-29,900	55	102
30,000-34,999	68	106
35,000-49,999	74	194
50,000+	163	243
Total	360	645
Net Potential New Owners	28	115
<i>Source: Claritas; Hammer, Siler, George Associates.</i>		

We have calculated in Table 16 the net new potential owners by subtracting the existing homeownership in Table 15 from the potential homeowners based on household incomes in Table 16. Targeting the Primary Trade Area, as that includes both the study area and some additional residents outside, there

is a potential for 115 new homeowners for housing starting at \$65,000. The actual absorption in sales over the past two years (as discussed in the sales section above) is around 7 sales per year. Further, the subsidized housing is absorbing 1.4 units per month and the market rate housing is selling at 1 unit per month. Assuming the market rate housing is attracting new owners from outside (the "boomtown singles") then absorption rates for the PTA annually is between 28-30 new or resale units (2.4 x 12).

Tables 15 and 16 indicate a significant portion of the current owners can afford to substantially upgrade their homes as well. We note that the homes within the adjacent Hampton-Pinckney and James Street areas are selling for substantially more than homes within the trade area neighborhoods. While some of this can be attributed to larger size homes, Table 17 shows that

on a per square foot basis, owners of smaller homes within the trade areas can afford to improve their homes and that the resultant values on a per square foot basis are within the market range. Based on several of the Best Practices presented later in this report, we know that a strategic home improvement program targeting specific areas within a neighborhood, results in increased investment by owners, and general appreciation of the asset values in the neighborhood.



*Neighborhood Housing*

**TABLE 17. SALES PRICES PER SQUARE FOOT**

Address	Sales Price	Date of Sale	SF	Price/SF
122 Mulberry Street	\$27,500	6/00	1,200	\$25
16 David Street	\$66,750	7/99	1,700	\$39
213 Asbury Avenue	\$45,000	1/01	1,080	\$42
321 Hampton Avenue	\$349,900	11/00	3,309	\$106
308 Hampton Avenue	\$447,500	4/200	4,604	\$97

*Source: MLS; Hammer, Siler, George Associates.*

## **Rental**

Census data for rental rates are dated and not reliable to estimate current rents. A survey of greater Greenville indicates that the average rent for a 2 bedroom/1 bath apartment is \$592.



The current occupancy rate at most of the newer apartment complexes in the greater Greenville area ranges between 92 and 95 percent. Generally, market stabilization for new rental properties is around 95 percent. In other words, a new project would not be brought into the market until the general vacancy rate reached 5 percent. General opinion is that the apartment market has softened slightly due to a lowering of interest rates and the resulting ability of more renters to move into the ownership market.

In analyzing residents' ability to pay, federal affordability standards offer a general guideline stipulating that an average household can afford to spend up to 30 percent of its income on housing. Table 16 shows that, based on these affordability standards, the area residents have the ability to pay even above the current Greenville average for a 2 bedroom/1 bath unit. A household income of \$25,000 can afford \$625/month in rent. There are over 600 households with that income level in the PTA and while many are or will become homeowners, a portion could afford new market rate rental housing with updated amenities. Again there is potential for inflow of the "boomtown singles" for new market rate rental product as well.

## **Conclusion**

There are two factors at play within the Western Corridor and the West Washington Street Corridor that affect housing. One is that the housing stock itself is old. The second is that incomes within these areas have enjoyed increases. Almost 40 percent of the current households can afford updated housing according to standard housing affordability standards. (See Tables 2 and 16). This is true for both the ownership and the rental markets. There are large areas within the neighborhoods with vacant or underutilized land that should be investigated as potential housing sites. Growth pressures will continue to come from singles and married couples who want to live near the downtown area. In order to maintain a stable economic balance in the area, the City should investigate leveraging additional subsidized housing for homeownership in partnership with private non-profit groups. Subsidizing ownership can come from several sources that do not involve a cash infusion. The primary source would be the assemblage of lots, which the City already owns. Typically land costs are 20-25 percent of new construction.

Intervention by the community can result in increased ownership, upgrading of existing housing, and development of new housing. We believe that the market can support a major housing initiative at this time. Several of the best practices presented later in this report offer programmatic models.

## **SECTION IV. GENERAL AND SPECIFIC RECOMMENDATIONS**

#### SECTION IV. GENERAL AND SPECIFIC RECOMMENDATIONS

These recommendations have been developed from our economic analyses of the trade areas and from our interviews and meetings with stakeholders. It is our belief that these recommendations represent the best thinking for the areas tempered with economic realities. Intervention at this time, by the City and community, can be a catalyst for reversing decline within the neighborhoods. As general policies and strategies, Hammer, Siler, George Associates recommends the following:

- Begin with a focus on housing, while the market is still trying to find its momentum; over the long-term, housing will be the driving force for revitalization. This focus should include a housing program that supports housing rehabilitation, infill housing development, and new housing construction. This focus needs to be executed with a strong policy commitment to assure the maintenance of a diversified community.
- Develop several small business centers within the Western Corridor/West Washington Street Corridor focused on light industrial and small office buildings. Special incentives such as tax abatements should be provided to attract companies that provide entry-level jobs and are able to train for semi-skilled and skilled labor. The development of a small business incubator should be considered as a way of supporting entrepreneurship in the community.
- Develop a small neighborhood convenience node along Buncombe Street consisting of the new drugstore facility, a convenience food facility, and a small banking facility. These facilities and their access should be designed and developed to provide walk-in access as much as possible. While there is not a particularly strong retail market we believe it is sufficient to support a village center concept.
- Make a strong commitment to the removal of blight. In this context we believe that the large number of auto-related establishments along Buncombe Street, constitute blight as do the relatively large number of blighted residential units in the two Corridors.
- Enhance the physical appearance of the two Corridors. This should include the development of a “sense of place” through effective streetscape design and a coordinated signage program. Such public investments can help to jump-start the market for private sector development efforts.

Having made our general policy recommendations, we will now respond to the specific questions that we have been asked to address from several different sources during this assignment. The questions and our responses follow:

**1. Given the routing of Buncombe Street through the Holmes Bible College site, what should be the future use of the site?**

This is a very complex question with no simple answer. At present the site and its architecture creates a strong character image for this area of the community. That image should be maintained, if at all possible. We believe that the future use for this site should be housing. Initially, the adaptive reuse might be rental apartments with a potential for transition to condominiums over time. While our focus has been on market, rather than financial feasibility, experience on other projects suggests that some type of subsidy may be required if this objective is to be accomplished.



*Holmes Bible College*

**2. How can the Buncombe Street Corridor be developed in a way that supports stabilizing the Western Corridor?**

The Buncombe Street Corridor should be developed as a mixed-use corridor featuring several small-scale business parks and a small village center composed of a drugstore, convenience grocery store, bank, and perhaps offices for medical and neighborhood professional services. The Corridor should exhibit connectivity to the surrounding neighborhood through the strategic placement of multifamily units that tie back into the neighborhoods.

**3. To what extent are opportunities now available for development in the Amtrak Station area?**

While the Amtrak area does have longer-range potential, neither the housing market nor the retail market is strong enough to forge development activity at this time. The area is likely to be the third or fourth wave of development after Buncombe Street, Washington

Street, and perhaps the Bible College campus. While there is a substantial employment base, it is not strong enough to generate significant retail or restaurant activity.

**4. What should be the future development character of the West Washington Street Corridor?**

The West Washington Street Corridor should be a mixed-use corridor with the largest component being housing. The Corridor is within walking distance of downtown and could benefit from its strategic location. Over time, some of the smaller businesses in the area should be relocated to small business parks along Buncombe Street and replaced with housing developments. A small retail and services node should be considered for the Corridor, once there is sufficient residential demand to warrant it.

**5. What should be the housing policy for the Western Corridor and West Washington Street?**

There needs to be a clear public policy that supports a mixed-income residential community. This suggests the need for the City to assure that at least 30 percent of all new or rehabilitated housing units in the area will be affordable, preferably ownership, housing units. The City also needs to strongly support the introduction of new market-rate units. A key need of the economic strategy is to increase overall household incomes in the community. This strategy is important to the longer-range ability of the community to attract higher quality retail goods and services and brand-name stores. Housing strategy is the key to achieving this objective. The community must transition from a low-income neighborhood to a middle-income neighborhood with an adequate supply of affordable housing to assure that low-income families do not get forced out.

**6. Can a combination of the local market and inflow from other markets support a supermarket?**

A full-scale supermarket would clearly be an asset to the community, but at this time, there is not sufficient local demand to support such a facility. Some have suggested that the Washington Street Corridor would be a strategic location since a supermarket would benefit from the traffic volumes resulting in greater inflow sales. In order to address this issue, we conducted an analysis assuming a location on West Washington Street.

For purposes necessary to attract a store we have assumed a facility with a minimum of 40,000 square feet with sales of \$350 per square foot. This would require a market sufficient to support sales of \$14 million annually.

For the analysis we measured trade areas of 1/2 miles, 1 mile, and 3 miles. The expenditure potential for food at home in each of these areas is \$2.1 million, 11.3 million and \$115.7 million respectively. Since only the 3-mile trade area has an expenditure

potential base sufficient to support the supermarket we have used this area as the basis for this analysis.

Within the 3-mile trade area, there are currently 99 food stores with sales of approximately \$165.3 million per year. There are approximately 8 large stores with more than 20 employees. However, there are a total of 76 grocery stores with sales of \$141.7 million including inflow sales. This suggests that weighted on an average basis, each store would generate approximately \$1.86 million in annual sales.

In order for a supermarket along West Washington Street to achieve \$14 million in sales, it would need to capture 12 percent of the food expenditure potential in the 3-mile trade area and nearly 10 percent of the total sales including inflow. This compares with a store average of 1.3 percent in a highly fragmented market of 76 grocery stores.

Our field surveys suggest that a 3-mile trade area for a potential supermarket along West Washington Street is not realistic given the fragmentation of the market. Even if the 3-mile trade area was realistic, it could not achieve the capture rates needed given the location of the existing competition. The key problem is that there is not sufficient expenditure potential for food within a 1-mile area of any site along West Washington Street to support a mainline supermarket.

**7. Is a farmers' market feasible for the trade areas?**

We do not believe that the Luthi's building offers sufficient space for a farmers' market, nor do we believe that there is adequate close-by food expenditure generation to support a farmers' market in the trade areas. Consideration might be given for some other use for the building such as a tutorial center, pottery works, community artist gallery, or loaned office space for community organizations. Should the building be demolished, the site should be programmed for the expansion of close-by housing in the community.



*Luthi Center*

**8. What is the potential to attract a base of smaller businesses to the Corridors that will provide job opportunities for neighborhood residents?**

There is potential to attract a base of smaller businesses that can generate job opportunities for neighborhood residents. We recommend the creation of several small business parks along Buncombe Street to implement this concept. This concept will

require further study in terms of the physical and geographic implementation of the recommendation as well as of the most effective marketing strategies.

**9. What is the potential to develop office and /or business space for small and or minority-owned businesses in the West Washington Street or Western Corridors?**

This is a worthwhile idea but difficult to accomplish. It is a project that should be initiated by the neighborhood using a Section 504 local development corporation. The initiative should be planned, commitments gathered for the rental of the space, and rental requirements established. Given the right set of tenants, the project would qualify for CDBG funding to meet the local matching fund requirements. This is a project worth doing: start small and stay focused. The project has potential, particularly if it is thought of as an incubator facility.



## **SECTION V. BEST PRACTICES**

## SECTION V. BEST PRACTICES

This series of best practices from other cities has been reviewed as part of an effort to determine strategies that have worked in revitalizing other neighborhoods. Reviewing the successful actions of other cities as they grappled with similar issues is instructive and efficient. It is instructive in that it provides a framework for the overall recommendations process and it is efficient because building on the successful experiences of others is highly effective.

We have reviewed best practices from a variety of sources: U.S. Department of Housing and Urban Development, U.S. Conference of Mayors, National League of Cities, individual city projects, and our own case files.

The major lessons learned from a review of these case examples are as follows:

- No one project will revitalize a neighborhood.
- Many different projects can act as catalysts.
- Both private and public dollars are needed to revitalize neighborhoods. The public dollars should be used as leverage, not as the only source of funds.
- Initial plans should concentrate in a few discrete areas to provide a “jumping-off” point for redevelopment.
- Need to assemble land for future development.
- Articulated strategies and goals should be produced for each program and must be regularly reviewed to gauge progress and revise if necessary.

### **Haynie’s Corner, Evansville, Indiana**

This is an older neighborhood with historic buildings and considerable blight, 10 blocks from Evansville’s downtown. It is fully integrated both economically and racially. The neighborhood is mostly residential with a few neighborhood businesses. In the 1970s, the neighborhood had

problems with a counterculture and drug scene. But eventually, the neighborhood, working with the City, undertook the following actions:

- City put in a police substation and built a ½-block pedestrian mall.
- Neighborhood group worked with code enforcement to find alternatives to tearing down significant structures.
- The neighborhood group has renovated the exterior of the Alhambra Theater with minimal city involvement. This became a catalyst for neighborhood renovation.
- The neighborhood and the City worked together to renovate the historic former home for spinster school teachers into an assisted living facility. This became a second project that would serve as a catalyst for neighborhood revitalization.

The process in this area was primarily private sector-driven and involved the redevelopment of one building at a time. One of the lessons that can be learned for the Western Corridor is to identify one catalyst project that can be implemented quickly to begin the revitalization effort.

### **North Davidson Street Corridor, Charlotte, North Carolina**

The North Davidson Street Corridor is an 8-block commercial corridor with an Old Mill Village. Retail can be found in nearby surrounding neighborhoods. The neighborhood is mixed-income and racially diverse. The initial catalyst for redevelopment was two galleries opening a gallery.

This project fueled a growth of new artists and restaurants. As a result of these catalysts, the following occurred:

- City converted the Johnston Mill into affordable housing.
- Private development included a conversion of Highland Mill to a \$26 million mixed-use project with office/living-working lofts/restaurants.
- Neighborhood theater group development and influx of galleries and antique shops.
- Housing prices have increased from \$20,000 to \$90,000 for unrenovated mill houses; and there has been significant rental of mill houses by owners.

The lesson to be learned for the Western Corridor is that a catalyst project can be tied to a special interest group such as artists, and the combination of these two forces can help to spur growth.

### **Hill Street/Cherry Street, Asheville, North Carolina**

The Hill Street/Cherry Street Neighborhood in Asheville is a small neighborhood of older houses. From 1987 to 1998, the City invested \$5.2 million in CDBG funds to construct infrastructure, make public facility improvements, acquire land, and remove blighted structures. Other actions taken included the following:

- The City invested in rehabilitation of 105 houses, ensuring affordable housing in the face of gentrification; assembled land for infill housing using historic designs; leveraged private investment.
- Neighborhood was declared a historic district at the start of the project to take advantage of tax credits.
- Property values increased 85 percent over 7-year period.

Lessons for the Western Corridor is that a strong public policy is needed, backed by action, to assure the maintenance of a mixed-income community. A second lesson is the need to build off of planned improvements and the need to assemble land for future development.

### **Whittier Neighborhood, Minneapolis, Minnesota**

The City in partnership with the Whittier Neighborhood transformed a vacant warehouse into a business incubator for a cost of \$300,000.

- The Whittier Emerging Business Center provides common space and services for 15 new businesses and employs over 40 local residents in a neighborhood with one-third of the residents living below the poverty level.
- The City applied for and received a 3-year technical grant to operate and hire a director to work with the new businesses.

There are several lessons to be learned from this example. First is the need to recognize the importance of entrepreneurship in neighborhoods as a resource to help cities grow. Second, is the realization that existing vacant structures can be adaptively reused to meet public and neighborhood objectives. The third lesson is that when properly packaged, financial resources can be leveraged from the federal or state government to expand the scarce resources available from the City.

### **Freedom Drive, Charlotte, North Carolina**

Freedom Drive in Charlotte is an older commercial area that has lost its retail base. The residential neighborhoods surrounding the commercial area are fully integrated both racially and economically. Both the business and residential components of the neighborhoods are well organized. Working with the City, neighborhood organizations have achieved the following:

- City invested in median strip construction to enhance streetscape and constructed a Vocational High School.
- City has an equity loan program; facade program and security grant program.
- Recognition that retail had left and began converting existing buildings into call centers, back office operations and medical offices.
- Local philanthropist converting 160 older apartment units into affordable condominiums for home-ownership with no subsidies.
- Lessons for the Western Corridor is to approach the redefinition of the commercial core with flexibility and maintain affordable housing in the face of gentrification.

### **Dayton, Ohio Neighborhood Strategy-“Rehabarama”**

- The City was faced with abandoned housing and vacant lots that result in blight and further deterioration of the neighborhood resulting in disinvestments.
- They identified the worst neighborhoods, defined the boundaries, and targeted a tight group of the worst houses for rehabilitation. Build infill housing that resembles the existing housing so as to provide a seamless streetscape. The idea is to rehab the

homes and then have a festive home show to display the new homes for prospective buyers. The entire project receives ongoing publicity.

Groups involved:

- Neighborhood Strategy Citywide Development Corporation; local banks; HUD; Home Builders Association; local press; participating contractors. The city identifies the target areas. The HBA identifies contractors willing to participate at cost and secure donated supplies. The publicity surrounding the final event generates identification for the contractors and the suppliers. The Citywide Development Corporation is a private non-profit corporation, which acts as the project manager and completes the acquisition of the homes. The HBA is responsible for conducting the home sale festival.
- The key is identification of a discrete target area, and then specific homes with in close proximity within the area. The idea is to be a catalyst for other investors and owners in the neighborhood to rehabilitate their properties. Houses were also made available for moderate-income families and rehab funds were targeted to low and moderate-income homeowners already living in the neighborhoods.
- There have been 3 “Rehabaramas” since 1993. Property values in the neighborhoods have increased 50 percent or more, and low and moderate income residents have seen substantial increases in their assets’ net worth. The first project resulted in 6 homes being renovated and 5 new single-family homes being built on infill lots. The second project saw 8 homes rehabilitated and 40 neighboring houses renovated by their owners. The third target area had seven renovated homes and 3 new homes. Prices jumped from \$50,000 to \$70,000 to \$178,000 to \$250,000, leaving existing residents with large equity in their homes.

Lessons for the Western Corridor are to target a specific group of homes on a specific street and rehabilitate in one action. This methodology will act as a catalyst for other private investment. There is sufficient household income within the neighborhoods for owners to rehabilitate their properties.